



U.S. Immigration
and Customs
Enforcement

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News Release

OPERATION “KOPY KAT” RESULTS IN THE SEIZURE OF THOUSANDS OF PIRATED MOTION PICTURE DVDS AND MUSIC CDS

More than 20,000 pieces of counterfeit merchandise is now off the streets

BROWNSVILLE, Texas — U.S. Immigration and Customs Enforcement (ICE) special agents executed a search warrant Saturday at the Brownsville Flea Market and shut down more than 20 shops and an underground lab used to produce counterfeit DVD movies and music CDs.

A total of 24,153 DVDs and CDs that were being sold for less than \$10 each were seized at the various shops. No one was arrested at the scene. However, ICE special agents continue to investigate and contact other law enforcement agencies that may have information leading to this criminal network.

“Selling pirated CDs and DVDs has become a serious problem nationally,” said Alonzo Pena, special agent-in-charge of the San Antonio ICE office. “In addition to the 24,000 pieces seized this weekend, ICE McAllen agents seized another 8,000 pirated DVDs and CDs in September. Stealing intellectual property such as these DVDs is a significant national issue. We will continue to investigate and shut down these criminal enterprises.”

According to the agents, the items seized are valued at more than \$120,000. In addition to the items seized, agents also confiscated CD duplicators, portable DVD players, computers with printers, radio mixer with amplifier and other electronic equipment used to manufacture the items.

In recent years, counterfeiting, piracy, and other Intellectual Property Rights (IPR) violations have grown in magnitude and complexity, costing U.S. businesses billions of dollars in lost revenue and often posing health and safety risks to U.S. consumers. In 1998, the International Chamber of Commerce estimated that five to seven percent of world trade was comprised of counterfeit goods, a market worth some \$350 billion. In May 2004, the United States Trade Representative published its annual Special 301 Report in which it estimated that U.S. industry alone loses \$200 to \$250 billion to counterfeiting annually.

As the largest investigative arm of the Department of Homeland Security, U.S. Immigration and Customs Enforcement (ICE) plays a leading role in targeting criminal organizations responsible for producing, smuggling, and distributing counterfeit products. ICE investigations focus not only on keeping counterfeit products off U.S. streets, but also on dismantling the criminal organizations behind this activity.

In fiscal year 2004, ICE agents arrested 218 individuals and brought 140 indictments for IPR violations, roughly double the 132 arrests and 70 indictments the prior fiscal year. At the same time, ICE agents and U.S. Customs & Border Protection (CBP) officers together made 7,255 seizures of counterfeit goods worth \$138 million in FY 2004, up from the roughly 6,500 seizures worth \$94 million the prior year. Together, ICE and CBP have seized more than \$600 million worth of counterfeit goods from FY 1998 through FY 2004.

To report any suspicious criminal activity, ICE urges the public to call our hotline at: 1-866-DHS-2ICE.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.